

BAKER & MILLER PLLC

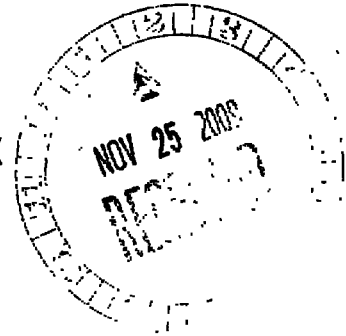
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November 25, 2009



226075

ENTERED
Office of Proceedings

NOV 25 2009

Part of
Public Record

BY HAND DELIVERY

Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, DC 20423-0001

Re: ***Rusk County Rural Rail District – Acquisition Exemption – Union Pacific
Railroad Company
STB Finance Docket No. 35330***

Dear Section Chief:

Enclosed for filing in the above-captioned proceeding are an original and ten copies of the Verified Notice of Exemption (the "Notice") of the Rusk County Rural Rail District ("RCRRD") filed pursuant to 49 CFR 1150.31. et seq. Also included with this filing is the requisite filing fee of \$1,800.

One extra copy of the Notice and this letter also are enclosed. I would request that you date-stamp those items to show receipt of this filing and return them to me in the provided envelope.

If you have any questions regarding this filing, please feel free to contact me. Thank you for your assistance on this matter.

FILED

NOV 25 2009

**SURFACE
TRANSPORTATION BOARD**

Respectfully submitted.

Robert A. Wimbish
Attorney for the Rusk County Rural Rail District

Enclosures

cc: John Cloutier
Walter Defebaugh
Mack Shumate

FEE RECEIVED

NOV 25 2009

**SURFACE
TRANSPORTATION BOARD**

**Contains Color Copies

BEFORE THE
SURFACE TRANSPORTATION BOARD

226075

STB Finance Docket No. 35330

RUSK COUNTY RURAL RAIL DISTRICT
- ACQUISITION EXEMPTION -
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 CFR 1150.31

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SURFACE
TRANSPORTATION BOARD

William A. Mullins
Robert A. Wimbish
Baker & Miller PLLC
2401 Pennsylvania Ave., N.W.
Suite 300
Washington, DC 20037
Phone: (202) 663-7820
Facsimile: (202) 663-7849

Attorneys for the Rusk County Rural Rail District

Dated: November 25, 2009

BEFORE THE
SURFACE TRANSPORTATION BOARD

STB Finance Docket No. 35330

RUSK COUNTY RURAL RAIL DISTRICT
– ACQUISITION EXEMPTION –
UNION PACIFIC RAILROAD COMPANY

VERIFIED NOTICE OF EXEMPTION PURSUANT TO 49 CFR 1150.31

Pursuant to 49 CFR 1150.31, et seq., the Rusk County Rural Rail District (“RCRRD”), a non-carrier political subdivision of the State of Texas, hereby files this Verified Notice of Exemption to acquire from Union Pacific Railroad Company (“UP”) a 15.69-mile rail line (the “Line”) beginning at milepost 0.59 near Overton, TX, and ending at milepost 16.28 near Henderson, TX.

In accordance with the requirements of 49 CFR 1150.33, RCRRD submits the following information:

Full name and address of applicant: 49 CFR 1150.33(a)

Rusk County Rural Rail District
400 West Main
Henderson, TX 75652

Applicant’s Representatives: 49 CFR 1150.33(b)

William A. Mullins
Robert A. Wimbish
Baker & Miller PLLC
2401 Pennsylvania Ave., NW, Ste. 300
Washington, DC 20037
(202) 663-7820
wmullins@bakerandmiller.com
rwimbish@bakerandmiller.com

Statement that an agreement has been reached or details about when an agreement will be reached: 49 CFR 1150.33 (c)

RCRRD and UP have reached an agreement on the principal terms of the transaction but have not yet finalized the acquisition agreement. RCRRD anticipates finalizing that acquisition agreement before the effective date of this notice.

Operator of the property: 49 C.F.R. 1150.33(d)

On the date on which RCRRD acquires the Line, Blacklands Railroad, Inc. ("BLR"), an existing Class III rail carrier,¹ will assume responsibility for operations over it pursuant to a lease agreement between RCRRD and BLR. Accordingly, Blacklands is, concurrently with this Notice, filing its own Notice of Exemption to lease from RCRRD and to operate the Line.²

Summary of the proposed transaction: 49 C.F.R. 1150.33(e)

As indicated above, RCRRD has filed this Notice to purchase the 15.69-mile Line extending between milepost 0.59 near Overton, TX. and milepost 16.28 near Henderson, TX. This Line recently was the subject of an abandonment proceeding – Union Pacific Railroad Company – Abandonment – In Rusk County, TX, STB Docket No. AB-33 (Sub-No. 275) (STB served Sept. 11, 2009). Although UP has obtained authorization to abandon this Line, it has not yet consummated that abandonment, and has instead agreed to sell the right-of-way, track, and track structures to RCRRD for continued rail service. Concurrent with RCRRD's purchase of the Line, RCRRD will, in turn, lease the property to BLR, which will assume responsibility for operating the Line.

¹ See Blacklands Railroad, Inc. – Lease and Operation Exemption – Union Pacific Railroad Company, STB Finance Docket No. 34723 (STB served Jul. 26, 2005); and The Blacklands Railroad Company – Operation Exemption – Lines of Northeast Texas Rural Rail Transportation District, STB Finance Docket No. 33708 (STB served Feb. 16, 1999).

² See Blacklands Railroad, Inc. – Lease and Operation Exemption – Rusk County Rural Rail District, STB Finance Docket No. 35327.

The name and address of the railroad transferring operating interests in the subject property:

Union Pacific Railroad Company
1400 Douglas Street
Omaha, NE 68179

RCRRD anticipates that the subject rail line acquisition transaction will be consummated on or after December 28, 2009.

Map: 49 CFR 1150.33(f)

A Map showing the Line and surrounding area is attached as Exhibit A to this Notice.

Certificate of compliance: 49 CFR 1150.33(g)

Certification of compliance with the provisions of 49 CFR 1150.33(g) is attached as Exhibit B to this Notice.

Interchange commitments: 49 CFR 1150.33(h)

RCRRD's proposed acquisition of the Line will not involve any provision or agreement between UP and RCRRD that would limit future interchange with a third-party connecting carrier. In any event, the Line connects only with UP (at Overton, TX), and does not connect with the lines of any third party carrier, such that interchange commitment restrictions would be irrelevant.

Advance Notice (Posting): 49 CFR 1150.32(e)

The proposed transaction will not result in the creation of a carrier with projected annual operating revenues exceeding \$5 million, and, accordingly, the advance notice requirements of 49 CFR 1150.32(e) are not applicable to this transaction. See Exhibit B.

Environmental and Historic Prescription Data: 49 CFR 1105

Under 49 CFR 1105.6(c)(2)(i), RCRRD's proposed acquisition of the Line is exempt from environmental reporting requirements. The proposed acquisition will not result in significant changes in freight carrier operations. i.e., changes that exceed the thresholds established in 49 CFR 1105.7(e)(4) or (5). Accordingly, this action will not significantly affect either the quality of the human environment or energy conservation.

Under 49 CFR 1105.8(b)(1), RCRRD's proposed acquisition of the Line also is exempt from historic preservation reporting requirements. The proposed acquisition is for the purpose of continued rail operations. Further Board approval would be required if RCRRD were to choose to abandon the Line, and there are no plans to dispose of or alter properties subject to Board jurisdiction that are fifty years old or older.

Caption Summary: 49 CFR 1150.34

A caption summary in appropriate form is attached as Exhibit C to this notice.

Respectfully submitted,



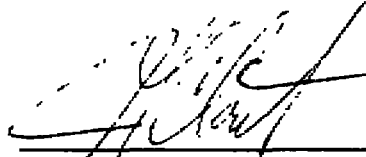
William A. Mullins
Robert A. Wimbish
Baker & Miller PLLC
2401 Pennsylvania Ave., N.W.
Suite 300
Washington, DC 20037
(202) 663-7820

Attorneys for Rusk County Rural Rail District

Dated: November 25, 2009

VERIFICATION

Pursuant to 28 U.S.C. 1746, I declare under the penalty of perjury under the laws of the United States that I am authorized to make this verification on behalf of the Rusk County Rural Rail District, and that the foregoing notice of exemption is true and correct to the best of my knowledge and belief.

A handwritten signature in black ink, appearing to read "John Cloutier", is written over a horizontal line.

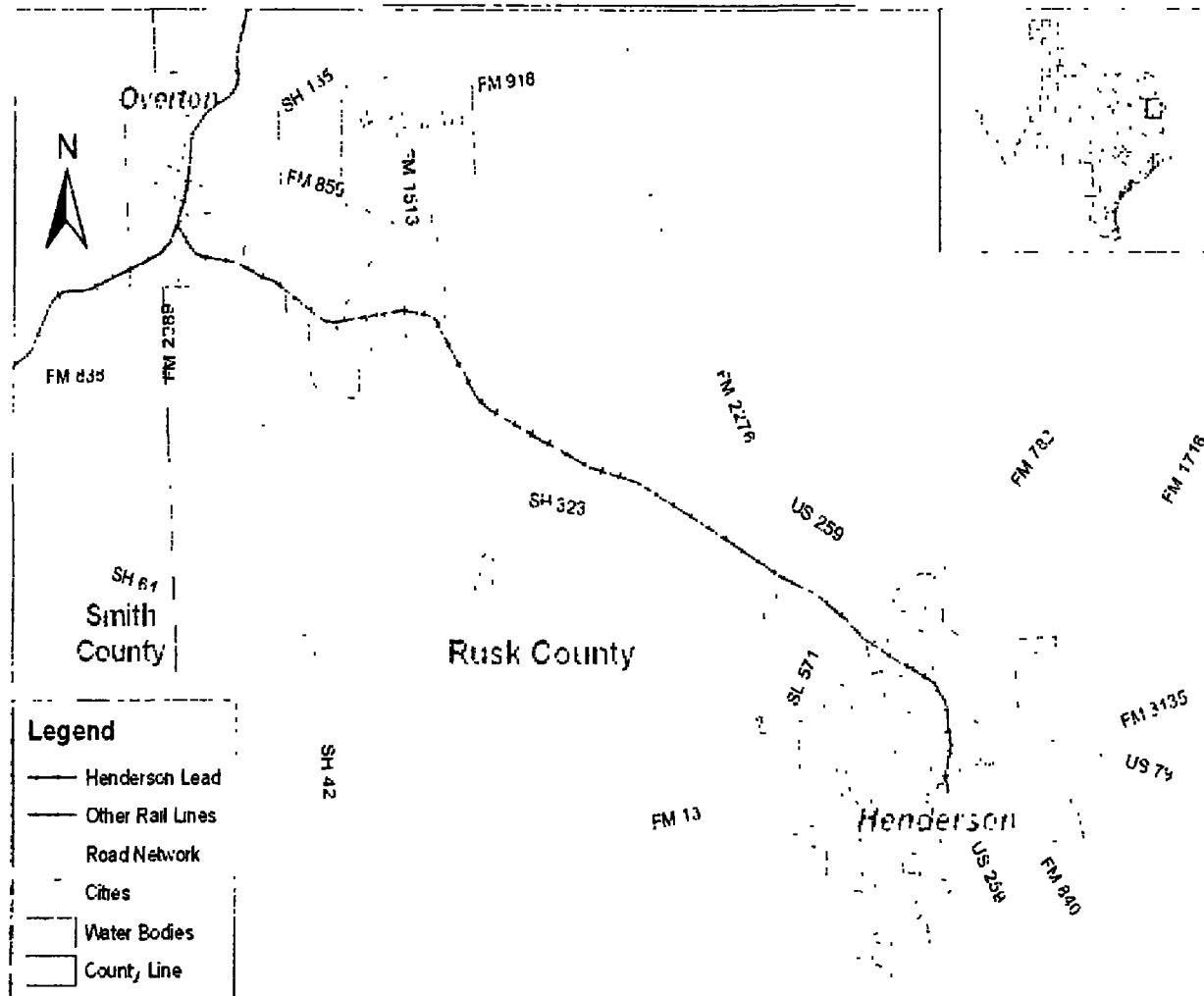
John Cloutier

President

Rusk County Rural Rail District

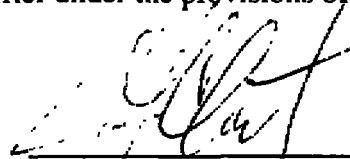
November 19, 2009

Exhibit A



CERTIFICATION

I, John Cloutier, President of the Rusk County Rural Rail District ("RCRRD"), hereby certify that RCRRD's projected annual revenues resulting from the consummation of the proposed transaction will not exceed \$5 million annually, and will not result in RCRRD becoming a Class I or Class II carrier under the provisions of 49 CFR 1201(1-1).



John Cloutier
President
Rusk County Rural Rail District

November 19, 2009

SURFACE TRANSPORTATION BOARD

Notice of Exemption

STB Finance Docket No. 35330

RUSK COUNTY RURAL RAIL DISTRICT
– ACQUISITION EXEMPTION –
UNION PACIFIC RAILROAD COMPANY

The Rusk County Rural Rail District (“RCRRD”), a non-carrier political subdivision of the State of Texas, has filed a Verified Notice of Exemption to acquire from Union Pacific Railroad Company (“UP”) a 15.69 mile rail line (the “Line”) beginning at milepost 0.59 near Overton, TX, and ending at milepost 16.28 near Henderson, TX.

RCRRD’s projected annual operating revenue relating to this transaction will not exceed \$5 million, and, accordingly, the advance notice requirements of 49 CFR 1150.32(e) are not applicable to this transaction.

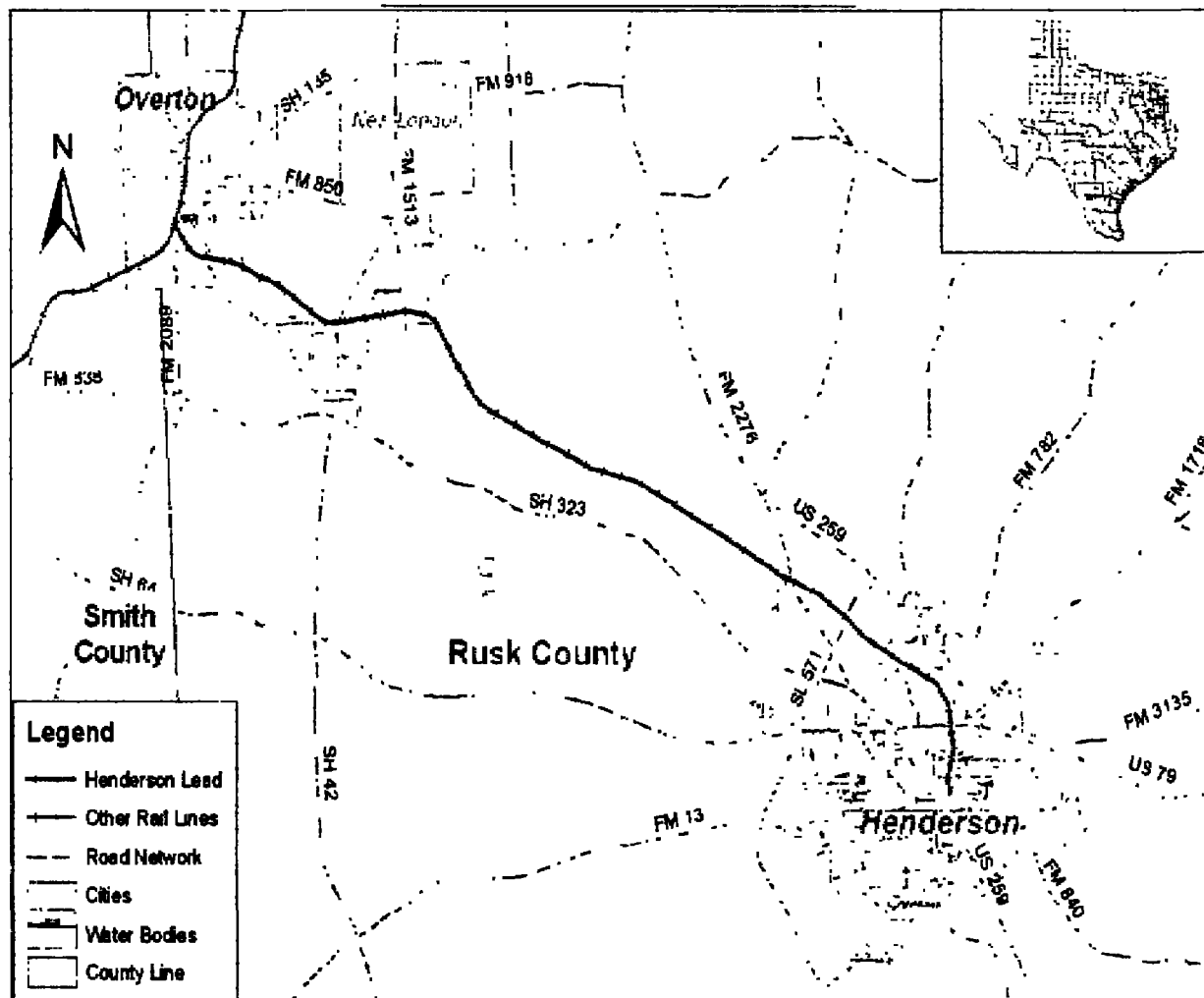
RCRRD anticipates that the subject rail line acquisition transaction will be consummated on or after December 28, 2009.

The transaction is related to Blacklands Railroad, Inc. – Lease and Operation Exemption – Rusk County Rural Rail District, STB Finance Docket No. 35327, pursuant to which Blacklands Railroad, Inc., has concurrently filed a notice of exemption to lease from RCRRD and to operate the Line upon RCRRD’s acquisition of the Line.

If the notice contains false or misleading information, the exemption is void ab initio. Petitions to reopen the proceeding to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the effectiveness of the exemption. Stay petitions must be filed by December 18, 2009.

Pursuant to the Consolidated Appropriations Act, 2008, Pub. L. No. 110-161, § 193, 121 Stat. 1844 (2007), nothing in this decision authorizes the following activities at any solid waste rail transfer facility: collecting, storing or transferring solid waste outside of its original shipping container; or separating or processing solid waste (including baling, crushing, compacting and shredding). The term “solid waste” is defined in section 1004 of the Solid Waste Disposal Act, 42 U.S.C. 6903.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 35330, must be filed with the Surface Transportation Board, Chief of the Section of Administration, Office of Proceedings, 395 E Street, SW, Washington, DC 20523-0001. In addition, a copy of each pleading must be served on RCRRD's representative, Robert A. Wimbish, Baker & Miller PLLC, 2401 Pennsylvania Avenue, N.W., Suite 300, Washington, DC 20037.



Color Version of the
Map